

SBS Bank QFE Adviser Disclosure Statement

Effective 4 April 2019

Southland Building Society is a registered bank, operating under the brand SBS Bank and referred to as 'the Bank', 'we', 'us' or 'our'.

What is this?

This Disclosure Statement provides information that you should consider before making any financial decision. The information provided is important and is designed to help you decide which financial adviser to choose. It also details our complaint procedures in the event you have any concerns.

What sort of Adviser are we?

We are a "Qualifying Financial Entity" ("QFE") under the Financial Advisers Act 2008. We take responsibility for the financial adviser services provided by relevant members of our staff, each being a QFE adviser. Our QFE advisers must act with care, diligence and skill when providing advice to you. QFE advisers do not have to be individually registered or authorised.

How are we regulated under the Financial Advisers Act 2008?

As a QFE, we are licensed and regulated by the Financial Markets Authority in respect of our financial adviser services.

The contact details for the Financial Markets Authority are specified at the back of this document. You can obtain information about financial advisers from the Financial Markets Authority and can report information

about us or our QFE advisers to the Financial Markets Authority. You can also check our QFE status on the register at www.fspr.govt.nz. Our registration number is FSP30921.

Details of products advised upon

Our QFE advisers mostly provide financial adviser services in relation to our deposit, redeemable share, lending and investment products ("our products"). They may be able to provide you advice on all, or a selection of our products, or on our products individually.

Where more specialist advice is required, the QFE adviser will refer you to the appropriate QFE adviser who has the necessary specialist knowledge, or direct you to a financial adviser who can give personalised financial advice on our more complex products.

Except as set out below, our QFE advisers are not generally able to provide advice on other financial products which are not our products, including many of our subsidiaries' products.

We do not provide an investment planning service or a discretionary investment management service.

Our QFE advisers may provide personalised advice on the following:

Product	Provider(s)
Redeemable Share - Savings, Transactional, Call and Term Investment accounts Deposit - Call and Term Investment accounts	SBS Bank
Residential (including Welcome Home Loan), Residential Investing, Rural, Reverse Equity Mortgage (Advance) and Commercial Loans	SBS Bank
Personal Loans	Finance Now Limited ("FNL")
Payment Protection Insurance in connection with Personal Loans	Southsure Assurance Limited ("Southsure")
SBS Visa Credit Card	SBS Money Limited ("SBS Money")

Our QFE advisers may provide limited non-personalised ('class') advice and factual information only on the following:

Product	Provider
Lifestages KiwiSaver Scheme – Our advisers can provide class advice on investments into the Lifestages Income Fund and the "Lifestages Auto" feature of the Lifestages KiwiSaver Scheme. They can also provide factual information regarding KiwiSaver in general. Personalised advice, or information on any other portfolio of the Lifestages KiwiSaver Scheme, is available by consulting a FANZ Private Wealth Adviser.	Funds Administration New Zealand Limited ("FANZ")
Subordinated Redeemable Share – SBS Capital Bond is a complex financial product and the Bank recommends that you separately consult an authorised financial adviser before making any decision to invest.	SBS Bank
Subordinated Redeemable Share – Premier Bond – This product is no longer available for investment.	SBS Bank
Cash Passport (Debt Security)	Travellex Card Services Limited ("TCSL")

Our QFE advisers may also refer customers to Financial Advisers employed by our subsidiaries, who may provide specialised advice on the following:

Products	Provider
All SBS Bank branded insurance including: Life and Disability Insurance (Term Life, Income Protection, Critical Condition & Funeral Cover); Loan Repayment Insurance (Mortgage Repayment & Payment Protection); Vehicle Insurance (Car, Caravan, Trailer, & Pleasure Craft); House and Contents Insurance and Travel Insurance.	Southsure
Business Finance, Motor Dealer Finance, Finance Now Card, Retail Consumer Finance and Personal Loans.	FNL
Lifestages KiwiSaver Scheme, Lifestages Investment Funds, being products distributed by or promoted by the Bank.	FANZ
Subordinated Redeemable Share – SBS Capital Bond - Our advisers may refer you to FANZ Authorised Financial Advisers for personalised financial advice in relation to this product.	SBS Bank

Under the Financial Advisers Act, our subsidiaries referred to above are registered as a QFE (FNL), have their own Registered Financial Advisers (FANZ and Southsure), have their own Authorised Financial Advisers (FANZ), or provide only wholesale or class advice (SBS Money). They provide separate disclosure statements for advice provided by their advisers as required.

Fees, Remuneration and Incentives

As we are the issuer of our deposit, redeemable share and lending products, we receive revenue from these products, and no other fees are charged by us or our QFE advisers for any advice provided.

Specific advice given by our subsidiaries or their advisers may incur fees and any such fees will be disclosed in separate Disclosure Statements prepared by them.

Our QFE advisers' base income is paid by salary and is not affected by any products sold. QFE advisers also participate in our bonus scheme, which is not linked to meeting sales and referrals targets.

To be eligible to receive bonus payments, our QFE advisers conduct must align to the Bank's values, must comply with our compliance standards and any recommendations or opinions provided must be consistent with the member's needs. More information on our commitments to conduct can be found in our SBS Bank Good Conduct and Ethical Behaviour Charter which is available on request and free of charge from any of our branches or viewed at sbsbank.co.nz.

Remuneration for referrals to third parties

We benefit from referrals made to our subsidiaries by way of our shareholding in each subsidiary.

We receive commission from FNL for successful referrals relating to Personal Loans and from Southsure on referrals made by our QFE advisers that result in written insurance policies.

We also receive commission from TCSL relating to successful sales of the Cash Passport.

However, our QFE Advisers do not personally benefit from any sales or referrals made to our Subsidiaries or other third parties.

Internal complaints procedure

If you wish to make a complaint, we have a free internal dispute resolution process which you can access as follows:

Talk to our Customer Complaints team in confidence on 0800 727 2265.

Write to us or complete our Customer Complaints form available in branch, from our Contact Centre on 0800 727 2265, or on our website sbsbank.co.nz.

You can write to our Customer Complaints Team at:

Customer Complaints Team Southland Building Society PO Box 835 INVERCARGILL 9810	Email: customercomplaints@sbsbank.co.nz Fax: 03 211 0734
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Dispute resolution scheme

If you have followed our internal dispute resolution process and you feel you are not completely satisfied with the resolution, you are entitled to request a free and independent review by the Office of the Banking Ombudsman.

For more information regarding the Banking Ombudsman, contact any of our branches, call us on 0800 727 2265 or visit www.bankomb.org.nz. Alternatively, you can contact the Banking Ombudsman directly at:

The Office of the Banking Ombudsman Freepost 218002 PO Box 25327 Featherston Street WELLINGTON 6146	E-mail: help@bankomb.org.nz Telephone: 0800 805 950 or (04) 471 0006 Fax: (04) 471 0548 Website: www.bankomb.org.nz
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Other licensed services we provide

We are a registered bank regulated by the Reserve Bank of New Zealand licensed to provide banking services in New Zealand. A Copy of the Southland Building Society Disclosure Statement is available on request and free of charge from any of our branches or viewed at sbsbank.co.nz.

Other Interests and Relationships

We have no other interests or relationships and there are no other factors that a reasonable person would find reasonably likely to influence our QFE advisers in giving you financial advice.

Terms and Conditions

Copies of any applicable product disclosure documents, along with terms and conditions and our Account Charges are available, free of charge, from any of our branches or at sbsbank.co.nz.

Contact details of the Bank

Our principal place of business and contact details are as follows:

Southland Building Society 51 Don Street PO Box 835 INVERCARGILL 9840	Email: info@sbsbank.co.nz Telephone: 0800 727 2265 Fax: 03 211 0754
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Contact details of the Financial Markets Authority

Financial Markets Authority PO Box 1179 WELLINGTON 6140	Telephone: 0800 434 566 Fax: 64 4 472 8076 Website: www.fma.govt.nz
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